

***CITY OF BAXTER SPRINGS, KANSAS***

Independent Auditor's Report  
and Financial Statement with  
Supplementary Information

*For the Year Ended December 31, 2018*

THE MENSE CPA FIRM, LLC  
Certified Public Accountants

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# The Mense CPA Firm, LLC

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF  
MISSOURI SOCIETY OF CPA'S  
AMERICAN INSTITUTE OF CPA'S

To the Mayor and City Council  
City of Baxter Springs, Kansas

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balance of City of Baxter Springs, Kansas, a municipality, as of and for the year ended December 31, 2018 and the related notes to the financial statement.

### *Management's Responsibility for the Financial Statement*

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Baxter Springs, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Baxter Springs, Kansas as of December 31, 2018, or changes in financial position and cash flows thereof for the year then ended.

***Unmodified Opinion on Regulatory Basis of Accounting***


In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Baxter Springs, Kansas as of December 31, 2018, and the aggregate receipts and expenditures for the year ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

***Other Matters***

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balance (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional

procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

A handwritten signature in black ink, appearing to read "The Mense CPA Firm, LLC", written in a cursive style.

The Mense CPA Firm, LLC  
Certified Public Accountants

Joplin, Missouri  
August 20, 2019

**CITY OF BAXTER SPRINGS, KANSAS**  
**Summary Statement of Receipts, Expenditures, and Unencumbered Cash**  
**Regulatory Basis**  
**For the Year Ended December 31, 2018**

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
<b>General Funds:</b>							
General	\$ 486,765	-	\$ 1,745,996	\$ 1,766,239	\$ 466,522	\$ 131,057	\$ 597,579
Special Purpose Funds:							
Transient Guest	14,936	-	5,573	13,461	7,048	-	7,048
Special Highway	176,849	-	194,475	203,639	167,685	-	167,685
Library	13,519	-	109,009	109,009	13,519	-	13,519
Library Employee Benefits	2,017	-	16,470	16,470	2,017	-	2,017
Recreation	6,322	-	7,362	7,362	6,322	-	6,322
Museum	6,532	-	70,015	70,015	6,532	-	6,532
Industrial Development	883	-	35	-	918	-	918
Special Liability	84,668	-	260	-	84,928	-	84,928
Municipal Equipment	204,250	-	20,374	-	224,624	-	224,624
Capital Improvement	50,199	-	-	-	50,199	-	50,199
Drug Forfeiture	419	-	-	419	-	-	-
Employee Benefits	364,633	-	340,439	364,697	340,375	201	340,576
Special Parks and Recreation	215	-	276	283	208	-	208
Fire Ordinance 711	-	-	-	-	-	-	-
Memorial	1,898	-	1,925	845	2,978	-	2,978
Public Improvement Sales Tax	-	-	280,136	-	280,136	-	280,136
Bond and Internet Funds:							
Debt Service	25,675	-	364,595	360,343	29,927	-	29,927
Business Funds:							
Water	209,598	-	1,436,615	771,746	874,467	20,263	894,730
Sewer	914,650	-	508,003	541,596	881,057	109,217	990,274
Cable Television	17,825	-	2,603	20,428	-	-	-
Refuse	42,936	-	239,277	239,311	42,902	-	42,902
Trust Funds:							
Cemetery Perpetual Care	64,652	-	150	-	64,802	-	64,802
<b>Total Reporting Entity</b>	<b>\$ 2,689,441</b>	<b>\$ -</b>	<b>\$ 5,343,588</b>	<b>\$ 4,485,863</b>	<b>\$ 3,547,166</b>	<b>\$ 260,738</b>	<b>\$ 3,807,904</b>
<b>Composition of Cash:</b>							
					Checking Account - American Bank		\$ 3,806,004
					Checking Account - Baxter State Bank		700
					Cash on Hand		1,200
					<b>Total Reporting Entity</b>		<b>\$ 3,807,904</b>

The notes to the financial statement are an integral part of this statement.

## **CITY OF BAXTER SPRINGS, KANSAS**

### **Notes to the Financial Statement**

**December 31, 2018**

#### **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **I.A. INTRODUCTION**

The City of Baxter Springs, Kansas, was incorporated in 1858 and operates as a second class city under the Statutes of the State of Kansas, (KSA 14-101 et. seq.). The City operates under a Mayor-Council form of government. Major services provided by the City include: Public Safety - Police and Fire, Highways and Streets, Sanitation, Health and Social Services, Culture - Recreation, Public Improvements, Planning and Zoning, and General Administrative Services. In addition, the City provides Water and Sewer Utility Services.

##### **I.B. FINANCIAL REPORTING ENTITY**

This financial statement presents the City of Baxter Springs, Kansas, (the municipality) as defined in K.S.A. 75-1117.

*Related Municipal Entities:* A related municipal entity is any legally separate municipal organization which was established to benefit the municipality or its' constituents. Related municipal entities are not required to be included in the City's audit by the Kansas Municipal Audit and Accounting Guide (KMAAG). Based upon the application of this criterion, the following is a brief review of potential related municipal entities:

Library Board. The City of Baxter Springs Library Board operates the City's public library. Acquisition or disposition of real property by the Board must be approved by the City. Bond issuances must also be approved by the City. The City levies taxes for the Library.

Recreation Commission. The City of Baxter Springs Recreation Commission oversees recreation activities. The Recreation Commission operates as a separate governing body but the City levies taxes for the recreation commission and the recreation commission has only the powers granted by statute, K.S.A. 12-1928.

Museum Board. The City of Baxter Springs Museum Board oversees the museum. The City levies taxes for the Museum Board. Bond issues must be approved by the City.

## CITY OF BAXTER SPRINGS, KANSAS

Notes to the Financial Statement

December 31, 2018

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### I.C. REGULATORY BASIS FUND TYPES

The accounts of the City are organized into funds each of which is considered to be a separate accounting entity. The operations of each fund is summarized by providing a separated set of self-balancing accounts. The following fund types are used by the City:

**General Fund**—the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

**Special Purpose Fund**—used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

**Bond and Interest Fund**—used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

**Business Fund**—funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

**Trust Fund**—funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.)

## **CITY OF BAXTER SPRINGS, KANSAS**

### **Notes to the Financial Statement**

**December 31, 2018**

#### **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **I.D. BASIS OF ACCOUNTING**

*Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America.* The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

##### **I.E. BUDGETARY INFORMATION**

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget.

1. Preparation of the budget for the succeeding calendar year on or before August 1<sup>st</sup>.
2. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

## **CITY OF BAXTER SPRINGS, KANSAS**

Notes to the Financial Statement

December 31, 2018

### **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **I.E. BUDGETARY INFORMATION (CONTINUED)**

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose fund:

Special Liability Fund  
Municipal Equipment Reserve Fund  
Capital Improvement Fund

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

#### **I.F. ASSETS AND LIABILITIES**

##### **I.F.1. Cash and Investments**

The City pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pool cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in time deposits.

Additional cash and investment information is presented in Note III.A.

## **CITY OF BAXTER SPRINGS, KANSAS**

Notes to the Financial Statement

December 31, 2018

### **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **I.G. RECEIPTS AND EXPENDITURES**

##### **I.G.1. Sales Tax**

The City of Baxter Springs, Kansas levies a 1% sales tax on taxable sales within the City. The tax is collected by the Kansas Department of Revenue and remitted to the City. The tax is placed in the General Fund to provide city services. Effective April 1, 2018 the City began collecting a 1% sales tax for the purpose of operating and maintaining levels of emergency services, law enforcement, public safety and infrastructure. The tax is placed in a special purpose fund.

##### **I.G.2. Property Tax**

Property taxes are an enforceable lien on property as of January 1. Taxes are levied on November 1 and are due and payable one-half on December 20<sup>th</sup> and one-half on May 10<sup>th</sup> of the ensuing year. Unpaid taxes become delinquent after the due dates.

The assessed valuation of tangible property for the calendar year 2018 for the purposes of taxation was \$21,361,710.

The tax levy per \$100.00 of assessed valuation of tangible property for the calendar year was \$5.80. The levy is composed of the sum of the legal tax levies for all funds with authorized levies.

Collection of current year property tax by the County Treasurer is not completed, apportioned, nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. These taxes are used to finance budgeted expenditures for the succeeding year in accordance with Kansas Statutes.

##### **I.G.3. Reimbursements**

The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis accounting.

## **CITY OF BAXTER SPRINGS, KANSAS**

### **Notes to the Financial Statement**

December 31, 2018

## **II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **II.A. STATUTORY COMPLIANCE**

The Special Parks and Recreation and Sewer Funds expenditures exceeded budgeted limits. (K.S.A. 79-2935).

## **III. DETAILED NOTES ON FUNDS AND ACCOUNTS**

### **III.A. DEPOSITS AND INVESTMENTS**

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

*Concentration of credit risk.* State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City does not designate "peak periods". All deposits were legally secured at December 31, 2018.

**CITY OF BAXTER SPRINGS, KANSAS**

Notes to the Financial Statement

December 31, 2018

**III. DETAILED NOTES ON FUNDS AND ACCOUNTS (CONTINUED)**

**III.A. DEPOSITS AND INVESTMENTS (CONTINUED)**

At December 31, 2018, the City's carrying amount of deposits was \$3,876,704 and the bank balance was \$3,930,654. Ninety-nine percent of the bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,700 was covered by federal depository insurance and \$3,679,954 was secured by securities held by the pledging financial institutions' agents in the City's name.

**III.B. RESTRICTED ASSETS**

The following amounts in the following funds are restricted as follows:

General Fund -		
Municipal Court Bonds	\$	8,627
Vehicle Inspection Fees (Law Enforcement)		<u>13,200</u>
Totals	\$	<u><u>21,827</u></u>

**CITY OF BAXTER SPRINGS, KANSAS**  
Notes to the Financial Statements  
December 31, 2018

**IV. LONG-TERM DEBT**

Changes in long-term liabilities for the City of Baxter Springs, Kansas for year ended December 31, 2018 were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
<b>General Obligation Bonds:</b>									
Series 2012	.40-1.75%	11/15/2012	\$ 1,805,000	8/1/2022	\$ 1,020,000	\$ -	\$ 200,000	\$ 820,000	\$ 13,875
Series 2013	.50-3.25%	9/15/2013	\$ 1,390,000	12/1/2024	890,000	-	125,000	765,000	21,468
Series 2018	3.00-3.625%	9/13/2018	\$ 530,000	12/1/1938	-	530,000	-	530,000	-
					<u>\$ 1,910,000</u>	<u>\$ 530,000</u>	<u>\$ 325,000</u>	<u>\$ 2,115,000</u>	<u>\$ 35,343</u>
<b>KDHE Loan</b>									
Sewer Project	3.57%	4/11/2000	\$ 622,243	9/1/2021	\$ 134,892	\$ -	\$ 36,852	\$ 98,040	\$ 4,489
<b>Capital Leases Payable:</b>									
Special Highway - Case 580 Backhoe and Loader	2.75%	7/22/2015	\$ 69,950	7/22/2018	\$ 23,357	\$ -	\$ 23,357	\$ -	\$ 17
Fire Department - Scott SCBA Airpacks (20)	2.95%	4/16/2015	\$ 119,070	4/16/2020	73,508	-	23,794	49,714	2,168
Fire Department - Ford F-350	2.50%	5/5/2016	\$ 36,654	5/5/2019	16,632	-	12,422	4,210	273
Fire Department - Pierce Enforcer Pumper	3.98%	2/12/2016	\$ 473,689	3/12/2016	444,063	-	30,806	413,257	17,674
Special Highway and Sewer - Takeuchi Track Loader	2.50%	6/20/2016	\$ 102,400	6/13/2020	77,740	-	25,277	52,463	1,943
Special Highway - Case 580SN Backhoe and Loader	3.25%	3/1/2018	\$ 86,715	3/2/2022	-	86,715	-	86,715	-
					<u>\$ 635,300</u>	<u>\$ 86,715</u>	<u>\$ 115,656</u>	<u>\$ 606,359</u>	<u>\$ 22,075</u>
<b>Total Capital Leases Payable</b>									
					<u>\$ 2,680,192</u>	<u>\$ 616,715</u>	<u>\$ 477,508</u>	<u>\$ 2,819,399</u>	<u>\$ 61,907</u>

**CITY OF BAXTER SPRINGS, KANSAS**  
Notes to the Financial Statements  
December 31, 2018

**IV. LONG-TERM DEBT (CONTINUED)**

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	2019	2020	2021	2022	2023	2024-2028	2029-2033	2034-2038	Total
<b>Principal:</b>									
General Obligation Bonds	\$ 345,000	\$ 355,000	\$ 360,000	\$ 365,000	\$ 160,000	\$ 220,000	\$ 145,000	\$ 165,000	\$ 2,115,000
KDHE Loan	38,178	39,554	20,308	-	-	-	-	-	98,040
Capital Leases Payable	107,299	106,395	56,647	58,742	37,444	239,832	-	-	606,359
Total principal	\$ 490,477	\$ 500,949	\$ 436,955	\$ 423,742	\$ 197,444	\$ 459,832	\$ 145,000	\$ 165,000	\$ 2,819,399
<b>Interest:</b>									
General Obligation Bonds	\$ 52,187	\$ 42,669	\$ 36,064	\$ 28,660	\$ 21,462	\$ 67,981	\$ 44,923	\$ 18,487	\$ 312,433
KDHE Loan	3,163	1,787	362	-	-	-	-	-	5,312
Capital Leases Payable	22,065	18,737	15,303	13,208	11,036	24,289	-	-	104,638
Total interest	\$ 77,415	\$ 63,193	\$ 51,729	\$ 41,868	\$ 32,498	\$ 92,270	\$ 44,923	\$ 18,487	\$ 422,383
Total principal and interest	\$ 567,892	\$ 564,142	\$ 488,684	\$ 465,610	\$ 229,942	\$ 552,102	\$ 189,923	\$ 183,487	\$ 3,241,782

## **CITY OF BAXTER SPRINGS, KANSAS**

### **Notes to the Financial Statement**

**December 31, 2018**

#### **V. CONDUIT DEBT**

To provide for capital improvements, the City of Baxter Springs, Kansas issued Industrial Revenue Bonds, (Atec Steel, L.L.C.) Series 2007, in the amount of \$3,000,000. The bonds are special limited obligations of the City, and payable solely from revenues derived from certain fees, rentals, revenues and other amounts derived by the City from a lease between the City and Atec Steel, L.L.C. The bonds do not constitute an indebtedness of the City or a pledge of the general credit or taxing powers of the City; and accordingly, have not been reported in the accompanying financial statement.

These bonds were paid off during 2018.

#### **VI. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of; damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City manages these various risks by carrying commercial insurance. There have been no significant reductions in insurance coverage. Settlements have not exceeded insurance coverage for the current or three prior years.

#### **VII. INTERFUND TRANSFERS**

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
Cable Television Fund	Municipal Equipment Reserve Fund	KSA 12-825d	20,374

#### **VIII. PENSION PLAN**

##### **Plan description**

The City of Baxter Springs, Kansas participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. KPERs' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERs website at [www.kpers.org](http://www.kpers.org) or by writing to KPERs (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

## **CITY OF BAXTER SPRINGS, KANSAS**

### **Notes to the Financial Statement**

**December 31, 2018**

#### **VIII. PENSION PLAN (CONTINUED)**

##### **Contributions**

K.S.A. 74-4919 and 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.39% for the fiscal year ended December 31, 2018. Contributions to the pension plan from City of Baxter Springs, Kansas were \$90,827 for the year ended December 31, 2018.

##### **Net Pension Liability**

At December 31, 2018, the City of Baxter Springs, Kansas's proportionate share of the collective net pension liability reported by KPERS was \$825,235. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The City of Baxter Springs, Kansas's proportion of the net pension liability was based on the ratio of the City of Baxter Springs, Kansas's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

## **CITY OF BAXTER SPRINGS, KANSAS**

### **Notes to the Financial Statement**

**December 31, 2018**

#### **IX. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS**

*Other Post Employment Benefits.* As provided by K.S.A. 12-540, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

*Death and Disability Other Post Employment Benefits.* As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2018.

*Compensated Absences.* The City's policies regarding vacation and sick pay permit employees to accumulate a maximum of five weeks of vacation time and a maximum of 45 days of sick pay. Vacation time is paid to employees upon termination. Sick leave is forfeited upon termination. At December 31, 2018, management estimates that the value of accumulated vacation to not be material.

#### **X. TAX ABATEMENTS**

##### **Neighborhood Revitalization Program**

The City approved a Neighborhood Revitalization Program (NRP) on July 28, 2015, by the passage of Ordinance 902. Applicants must apply for the rebate during the five year program period. Applicants must meet the criteria of the program. There must be a minimum investment of \$5,000 for residential property and \$10,000 for commercial and/or industrial property, to receive the rebate.

Property taxes rebated under the NRP during 2018 were \$4,670.

# **CITY OF BAXTER SPRINGS, KANSAS**

Notes to the Financial Statement

December 31, 2018

## **X. TAX ABATEMENTS (CONTINUED)**

### **Other Tax Abatements**

The City negotiates property tax agreements on an individual basis. The City has a tax abatement agreement with Six Pet Nutrition. The agreement exempts property from taxation as follows:

<u>Tax Year</u>	<u>Percentage of Abatement</u>
2013	100%
2014	100%
2015	100%
2016	100%
2017	100%
2018	80%
2019	60%
2020	40%
2021	40%
2022	20%
2023	0%

The amount of tax abated during 2018 was \$48,133.

## **XI. CONTINGENCIES**

### **XI.A. LITIGATION**

During the ordinary course of its operations the City is a party to various claims, legal actions and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

### **XI.B. GRANT PROGRAM INVOLVEMENT**

In the normal course of operations, the City participates in various federal and state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

**CITY OF BAXTER SPRINGS, KANSAS**

Notes to the Financial Statement

December 31, 2018

**XII. SUBSEQUENT EVENTS**

Management has evaluated the effects on the financial statement of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

**REGULATORY – REQUIRED  
SUPPLEMENTARY INFORMATION**

**CITY OF BAXTER SPRINGS, KANSAS**  
**Summary of Expenditures - Actual and Budget**  
**Regulatory Basis**  
**For the Year ended December 31, 2018**

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
<b>General Funds:</b>					
General	\$ 1,786,976	\$ 4,000	\$ 1,790,976	\$ 1,766,239	\$ (24,737)
<b>Special Purpose Funds:</b>					
Transient Guest	19,102	-	19,102	13,461	(5,641)
Special Highway	217,753	86,715	304,468	203,639	(100,829)
Library	115,089	-	115,089	109,009	(6,080)
Library Employee Benefits	17,333	-	17,333	16,470	(863)
Recreation	13,600	-	13,600	7,362	(6,238)
Museum	74,262	-	74,262	70,015	(4,247)
Industrial Development	799	-	799	-	(799)
Drug Forfeiture	419	-	419	419	-
Employee Benefits	457,643	-	457,643	364,697	(92,946)
Special Parks and Recreation	87	-	87	283	196
Fire Ordinance 711	10,000	-	10,000	-	(10,000)
Memorial	2,031	-	2,031	845	(1,186)
<b>Bond and Interest Funds:</b>					
Debt Service	380,443	-	380,443	360,343	(20,100)
<b>Business Funds:</b>					
Water	773,500	530,000	1,303,500	771,746	(531,754)
Sewer	341,420	-	341,420	541,596	200,176
Cable Television	31,656	-	31,656	20,428	(11,228)
Refuse	250,000	-	250,000	239,311	(10,689)

**CITY OF BAXTER SPRINGS, KANSAS**  
General Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 328,908	\$ 321,973	\$ 6,935
Delinquent Tax	24,124	10,302	13,822
Motor Vehicle Tax	47,530	60,278	(12,748)
Recreational Vehicle Tax	391	418	(27)
16/20 M Vehicle Tax	384	319	65
Commercial Vehicle Tax	1,022	364	658
Watercraft Tax	187	214	(27)
Sales Tax	764,655	742,325	22,330
Liquor Drink Tax	276	31	245
Grants	18,559	-	18,559
Fines	105,745	163,000	(57,255)
Community Building Fees	3,690	4,000	(310)
Vehicle Inspection Fees	7,740	9,000	(1,260)
Sale of Cemetery Lots	850	600	250
Grave Opening	8,300	10,000	(1,700)
Franchise Fees	294,760	258,000	36,760
Permits	1,540	1,000	540
Liquor Licenses	1,200	600	600
Cereal Malt Beverage Licenses	425	750	(325)
Swimming Pool Receipts	14,394	16,000	(1,606)
Animal Tags	279	300	(21)
Park and Camping Fees	1,960	2,000	(40)
Mowing and Weed Notices	6,729	1,500	5,229
Charges for Mowing and Demolition	2,904	-	2,904
Charges for School Resource Officer	44,118	-	44,118
Donations	4,000	-	4,000
Other	27,795	3,000	24,795
Interest	8,457	350	8,107
Sale of Property	26,447	-	26,447
Neighborhood Revitalization Rebate	(1,373)	(2,025)	652
Total Receipts	<u>\$ 1,745,996</u>	<u>\$ 1,604,299</u>	<u>\$ 141,697</u>
Expenditures:			
City Clerk	\$ 78,161	\$ 62,100	\$ 16,061
Police	790,692	843,193	(52,501)
VIN Inspections (Law Enforcement)	8,052	30,238	(22,186)
Fire	237,534	143,573	93,961
Street	392,065	406,886	(14,821)
Community Services	21,427	11,550	9,877
Cemetery	59,295	72,675	(13,380)
Code Enforcement	37,681	48,874	(11,193)
Community Center	17,431	17,000	431
Swimming Pool	36,764	33,450	3,314
Capital Lease - Fire Truck	12,695	12,695	-
Capital Lease - Fire Equipment	25,962	25,962	-
Capital Lease - Fire Truck	48,480	48,780	(300)
Operating Transfers	-	30,000	(30,000)
Adjustment for Qualifying Budget Credits	-	4,000	(4,000)
Total Expenditures	<u>\$ 1,766,239</u>	<u>\$ 1,790,976</u>	<u>\$ (24,737)</u>
Receipts Over (Under) Expenditures	<u>\$ (20,243)</u>		
Unencumbered Cash, Beginning	<u>486,765</u>		
Unencumbered Cash, Ending	<u>\$ 466,522</u>		

**CITY OF BAXTER SPRINGS, KANSAS**  
Transient Guest Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts:			
Guest Tax	\$ 5,573	\$ 10,000	\$ (4,427)
Expenditures:			
Convention and Tourism	\$ 13,461	\$ 19,102	\$ (5,641)
Receipts Over (Under) Expenditures	\$ (7,888)		
Unencumbered Cash, Beginning	14,936		
Unencumbered Cash, Ending	\$ 7,048		

**CITY OF BAXTER SPRINGS, KANSAS**  
Special Highway Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts:			
State of Kansas Gas Tax	\$ 107,760	\$ 108,490	\$ (730)
Capital Lease Proceeds	86,715	-	86,715
Total Receipts	<u>\$ 194,475</u>	<u>\$ 108,490</u>	<u>\$ 85,985</u>
Expenditures:			
Public Works	\$ 166,655	\$ 179,532	\$ (12,877)
Capital Lease - Backhoe	23,374	24,611	(1,237)
Capital Lease - Track Loader	13,610	13,610	-
Adjustment for Qualifying Budget Credits	-	86,715	(86,715)
Total Expenditures	<u>\$ 203,639</u>	<u>\$ 304,468</u>	<u>\$ (100,829)</u>
Receipts Over (Under) Expenditures	\$ (9,164)		
Unencumbered Cash, Beginning	<u>176,849</u>		
Unencumbered Cash, Ending	<u>\$ 167,685</u>		

**CITY OF BAXTER SPRINGS, KANSAS**  
Library Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 90,238	\$ 88,315	\$ 1,923
Delinquent Tax	7,196	4,500	2,696
Motor Vehicle Tax	11,447	13,999	(2,552)
Recreational Vehicle Tax	93	97	(4)
16/20 M Vehicle Tax	132	74	58
Commercial Vehicle Tax	237	85	152
Watercraft Tax	43	50	(7)
Neighborhood Revitalization Rebate	(377)	(555)	178
Total Receipts	<u>\$ 109,009</u>	<u>\$ 106,565</u>	<u>\$ 2,444</u>
Expenditures:			
Appropriations to Library Board	<u>\$ 109,009</u>	<u>\$ 115,089</u>	<u>\$ (6,080)</u>
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash, Beginning	<u>13,519</u>		
Unencumbered Cash, Ending	<u>\$ 13,519</u>		

**CITY OF BAXTER SPRINGS, KANSAS**  
**Library Employee Benefits Fund**  
**Schedule of Receipts and Expenditures - Actual and Budget**  
**Regulatory Basis**  
**For the Year ended December 31, 2018**

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 13,584	\$ 13,288	\$ 296
Delinquent Tax	1,121	700	421
Motor Vehicle Tax	1,745	2,138	(393)
Recreational Vehicle Tax	14	15	(1)
16/20 M Vehicle Tax	20	11	9
Commercial Vehicle Tax	36	13	23
Watercraft Tax	7	8	(1)
Neighborhood Revitalization Rebate	(57)	(83)	26
Total Receipts	<u>\$ 16,470</u>	<u>\$ 16,090</u>	<u>\$ 380</u>
Expenditures:			
Appropriations to Library Board	<u>\$ 16,470</u>	<u>\$ 17,333</u>	<u>\$ (863)</u>
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash, Beginning	<u>2,017</u>		
Unencumbered Cash, Ending	<u>\$ 2,017</u>		

**CITY OF BAXTER SPRINGS, KANSAS**  
Recreation Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 5,048	\$ 4,930	\$ 118
Delinquent Tax	895	700	195
Motor Vehicle Tax	1,380	1,741	(361)
Recreational Vehicle Tax	11	12	(1)
16/20 M Vehicle Tax	14	9	5
Commercial Vehicle Tax	30	11	19
Watercraft Tax	5	6	(1)
Neighborhood Revitalization Rebate	(21)	(31)	10
Total Receipts	<u>\$ 7,362</u>	<u>\$ 7,378</u>	<u>\$ (16)</u>
Expenditures:			
Appropriation to Recreation Commission	<u>\$ 7,362</u>	<u>\$ 13,600</u>	<u>\$ (6,238)</u>
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash, Beginning	<u>6,322</u>		
Unencumbered Cash, Ending	<u>\$ 6,322</u>		

**CITY OF BAXTER SPRINGS, KANSAS**  
Museum Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 57,878	\$ 56,660	\$ 1,218
Delinquent Tax	4,384	2,700	1,684
Motor Vehicle Tax	7,664	9,424	(1,760)
Recreational Vehicle Tax	62	65	(3)
16/20 M Vehicle Tax	80	50	30
Commercial Vehicle Tax	160	57	103
Watercraft Tax	29	34	(5)
Neighborhood Revitalization Rebate	(242)	(356)	114
Total Receipts	<u>\$ 70,015</u>	<u>\$ 68,634</u>	<u>\$ 1,381</u>
Expenditures:			
Appropriation to Museum Bond	<u>\$ 70,015</u>	<u>\$ 74,262</u>	<u>\$ (4,247)</u>
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash, Beginning	<u>6,532</u>		
Unencumbered Cash, Ending	<u>\$ 6,532</u>		

**CITY OF BAXTER SPRINGS, KANSAS**  
Industrial Development Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts:			
Delinquent Tax	\$ 35	\$ -	\$ 35
Expenditures:			
Economic Development	\$ -	\$ 799	\$ (799)
Receipts Over (Under) Expenditures	\$ 35		
Unencumbered Cash, Beginning	883		
Unencumbered Cash, Ending	\$ 918		

**CITY OF BAXTER SPRINGS, KANSAS**

Special Liability Fund

Schedule of Receipts and Expenditures

Regulatory Basis

For the Year ended December 31, 2018

Receipts:

Taxes and Shared Receipts:

Ad Valorem Property Tax	\$	3
Delinquent Tax		255
16/20 M Vehicle Tax		<u>2</u>

Total Receipts	\$	<u>260</u>
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Expenditures:

Insurance	\$	<u>-</u>
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Receipts Over (Under) Expenditures	\$	260
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Unencumbered Cash, Beginning		<u>84,668</u>
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Unencumbered Cash, Ending	\$	<u><u>84,928</u></u>
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**CITY OF BAXTER SPRINGS, KANSAS**  
Municipal Equipment Fund  
Schedule of Receipts and Expenditures  
Regulatory Basis  
For the Year ended December 31, 2018

Receipts:	
Operating Transfers	<u>\$          20,374</u>
Expenditures:	
Capital Outlay	<u>\$                  -</u>
Receipts Over (Under) Expenditures	\$          20,374
Unencumbered Cash, Beginning	<u>204,250</u>
Unencumbered Cash, Ending	<u><u>\$        224,624</u></u>

**CITY OF BAXTER SPRINGS, KANSAS**

Capital Improvement Fund

Schedule of Receipts and Expenditures

Regulatory Basis

For the Year ended December 31, 2018

Receipts:

Operating Transfers

\$ -

Expenditures:

Capital Outlay

\$ -

Receipts Over (Under) Expenditures

\$ -

Unencumbered Cash, Beginning

50,199

Unencumbered Cash, Ending

\$ 50,199

**CITY OF BAXTER SPRINGS, KANSAS**  
**Drug Forfeiture Fund**  
**Schedule of Receipts and Expenditures - Actual and Budget**  
**Regulatory Basis**  
**For the Year ended December 31, 2018**

	Actual	Budget	Variance - Over (Under)
Receipts:			
Intergovernmental Receipts	\$ -	\$ -	\$ -
Expenditures:			
Public Safety	\$ 419	\$ 419	\$ -
Receipts Over (Under) Expenditures	\$ (419)		
Unencumbered Cash, Beginning	419		
Unencumbered Cash, Ending	\$ -		

**CITY OF BAXTER SPRINGS, KANSAS**  
Employee Benefits Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 259,954	\$ 254,312	\$ 5,642
Delinquent Tax	28,934	17,000	11,934
Motor Vehicle Tax	50,380	60,723	(10,343)
Recreational Vehicle Tax	406	421	(15)
16/20 M Vehicle Tax	632	321	311
Commercial Vehicle Tax	1,029	368	661
Watercraft Tax	188	216	(28)
Neighborhood Revitalization Rebate	(1,084)	(1,597)	513
Total Receipts	<u>\$ 340,439</u>	<u>\$ 331,764</u>	<u>\$ 8,675</u>
Expenditures:			
General Government	<u>\$ 364,697</u>	<u>\$ 457,643</u>	<u>\$ (92,946)</u>
Receipts Over (Under) Expenditures	\$ (24,258)		
Unencumbered Cash, Beginning	<u>364,633</u>		
Unencumbered Cash, Ending	<u>\$ 340,375</u>		

**CITY OF BAXTER SPRINGS, KANSAS**  
Special Parks and Recreation  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts:			
Liquor Drink Tax	\$ 276	\$ 31	\$ 245
Expenditures:			
Kansas Department of Commerce	\$ 148	\$ -	\$ 148
Recreation	135	87	48
Kansas Department of Commerce	\$ 283	\$ 87	\$ 196
Receipts Over (Under) Expenditures	\$ (7)		
Unencumbered Cash, Beginning	215		
Unencumbered Cash, Ending	\$ 208		

**CITY OF BAXTER SPRINGS, KANSAS**  
Fire Ordinance 711 Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2018

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
Receipts:			
Other	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ (10,000)</u>
Expenditures:			
Public Works	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ (10,000)</u>
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

**CITY OF BAXTER SPRINGS, KANSAS**  
Memorial Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts:			
Donations	\$ 1,925	\$ -	\$ 1,925
Expenditures:			
Recreation	\$ 845	\$ 2,031	\$ (1,186)
Receipts Over (Under) Expenditures	\$ 1,080		
Unencumbered Cash, Beginning	1,898		
Unencumbered Cash, Ending	\$ 2,978		

**CITY OF BAXTER SPRINGS, KANSAS**  
Public Improvement Sales Tax Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2018

Receipts:	
Sales Tax	<u>\$ 280,136</u>
Expenditures:	
Capital Outlay	<u>\$ -</u>
Receipts Over (Under) Expenditures	\$ 280,136
Unencumbered Cash, Beginning	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ 280,136</u></u>

**CITY OF BAXTER SPRINGS, KANSAS**  
Debt Service Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts			
Ad Valorem Property Tax	\$ 362,731	\$ 355,574	\$ 7,157
Delinquent Tax	3,375	1,000	2,375
16/20 M Vehicle Tax	5	-	5
Neighborhood Revitalization Rebate	(1,516)	(2,233)	717
Total Receipts	<u>\$ 364,595</u>	<u>\$ 354,341</u>	<u>\$ 10,254</u>
Expenditures:			
Principle	\$ 325,000	\$ 325,000	\$ -
Interest and Fees	35,343	35,443	(100)
Cash Basis Reserve	-	20,000	(20,000)
Total Expenditures	<u>\$ 360,343</u>	<u>\$ 380,443</u>	<u>\$ (20,100)</u>
Receipts Over (Under) Expenditures	\$ 4,252		
Unencumbered Cash, Beginning	<u>25,675</u>		
Unencumbered Cash, Ending	<u>\$ 29,927</u>		

**CITY OF BAXTER SPRINGS, KANSAS**  
**Water Fund**  
**Schedule of Receipts and Expenditures - Actual and Budget**  
**Regulatory Basis**  
**For the Year ended December 31, 2018**

	Actual	Budget	Variance - Over (Under)
Receipts:			
Charges for Services	\$ 874,133	\$ 900,000	\$ (25,867)
Sales Tax	18,242	-	18,242
Proceeds from Sale of Bonds	530,000	-	530,000
Other	14,240	-	14,240
Total Receipts	<u>\$ 1,436,615</u>	<u>\$ 900,000</u>	<u>\$ 536,615</u>
Expenditures:			
Personal Services	\$ 245,210	\$ 400,000	\$ (154,790)
Contractual Services	83,778	90,000	(6,222)
Commodities	248,623	215,000	33,623
Water Protection Fee	7,388	8,000	(612)
Sales Tax	18,467	15,500	2,967
Maintenance	63,529	5,000	58,529
Capital Outlay	29,881	35,000	(5,119)
Other	16,016	5,000	11,016
Bond Issuance Costs	22,148	-	22,148
Water Project	36,706	-	36,706
Adjustments for Qualifying Budget Credits	-	530,000	(530,000)
Total Expenditures	<u>\$ 771,746</u>	<u>\$ 1,303,500</u>	<u>\$ (531,754)</u>
Receipts Over (Under) Expenditures	\$ 664,869		
Unencumbered Cash, Beginning	<u>209,598</u>		
Unencumbered Cash, Ending	<u>\$ 874,467</u>		

**CITY OF BAXTER SPRINGS, KANSAS**  
**Sewer Fund**  
**Schedule of Receipts and Expenditures - Actual and Budget**  
**Regulatory Basis**  
**For the Year ended December 31, 2018**

	Actual	Budget	Variance - Over (Under)
Receipts:			
Charges for Services	\$ 455,263	\$ 435,000	\$ 20,263
Intergovernmental Receipts	51,445	-	51,445
Other	1,295	-	1,295
	<u>\$ 508,003</u>	<u>\$ 435,000</u>	<u>\$ 73,003</u>
Expenditures:			
Personal Services	\$ 201,551	\$ 146,469	\$ 55,082
Contractual Services	32,401	35,000	(2,599)
Commodities	83,588	88,000	(4,412)
KDHE Loan Payment	41,341	41,341	-
Other	2,572	3,000	(428)
Maintenance	162,473	9,000	153,473
Capital Outlay	4,060	5,000	(940)
Capital Lease - Track Loader	13,610	13,610	-
	<u>\$ 541,596</u>	<u>\$ 341,420</u>	<u>\$ 200,176</u>
Receipts Over (Under) Expenditures	\$ (33,593)		
Unencumbered Cash, Beginning	<u>914,650</u>		
Unencumbered Cash, Ending	<u>\$ 881,057</u>		

**CITY OF BAXTER SPRINGS, KANSAS**  
**Cable Television Fund**  
**Schedule of Receipts and Expenditures - Actual and Budget**  
**Regulatory Basis**  
**For the Year ended December 31, 2018**

	Actual	Budget	Variance - Over (Under)
Receipts:			
Charges for Services	\$ 2,569	\$ -	\$ 2,569
Sales Tax	34	-	34
	<u>2,603</u>	<u>-</u>	<u>2,603</u>
Total Receipts	<u>\$ 2,603</u>	<u>\$ -</u>	<u>\$ 2,603</u>
Expenditures:			
Other	\$ 54	\$ -	\$ 54
Operating Transfers	20,374	31,656	(11,282)
	<u>20,428</u>	<u>31,656</u>	<u>(11,228)</u>
Total Expenditures	<u>\$ 20,428</u>	<u>\$ 31,656</u>	<u>\$ (11,228)</u>
Receipts Over (Under) Expenditures	\$ (17,825)		
Unencumbered Cash, Beginning	<u>17,825</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

**CITY OF BAXTER SPRINGS, KANSAS**  
Refuse Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year ended December 31, 2018

	Actual	Budget	Variance - Over (Under)
Receipts:			
Charges For Services	\$ 239,277	\$ 230,000	\$ 9,277
Expenditures:			
Sanitation	\$ 239,311	\$ 250,000	\$ (10,689)
Receipts Over (Under) Expenditures	\$ (34)		
Unencumbered Cash, Beginning	42,936		
Unencumbered Cash, Ending	\$ 42,902		

**CITY OF BAXTER SPRINGS, KANSAS**

Cemetery Perpetual Care Fund

Schedule of Receipts and Expenditures

Regulatory Basis

For the Year ended December 31, 2018

Receipts:

Sale of Cemetery Lots

\$ 150

Expenditures:

Public Works

\$ -

Receipts Over (Under) Expenditures

\$ 150

Unencumbered Cash, Beginning

64,652

Unencumbered Cash, Ending

\$ 64,802